



environmental
investigation
agency

EIA REPORT

How Russian Conflict Birch Makes its Way to American Consumers

American consumers love Russian birch. Claimed to be durable, strong, and visually appealing, Russian birch is “[the wood of choice for many carpenters, furniture makers, and manufacturers](#)” in the United States. Hundreds of thousands of cubic meters of birch plywood are imported from Russia each year, some manufactured into products and the rest sold directly to consumers at retailers like Amazon, Home Depot, or Walmart.

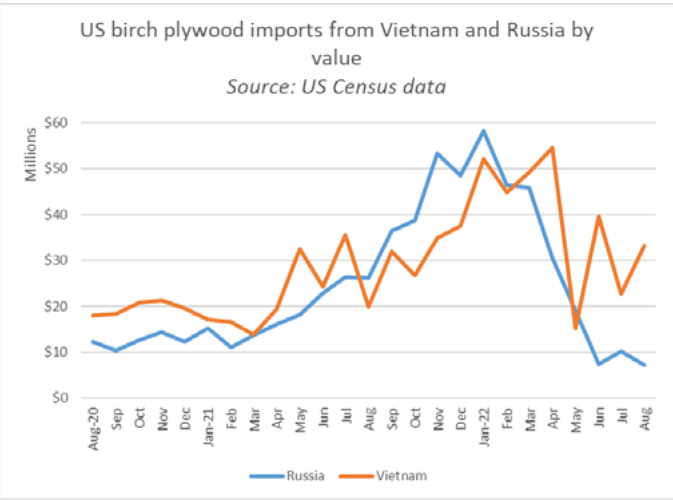
These direct imports from Russia to the U.S. were thrown into upheaval soon after the Russian invasion of Ukraine in February 2022. Many countries, including the U.S., took measures to cease importing goods, including birch and other timber, from Russia that might be tied to financing or prolonging the conflict.



But, have U.S. policies succeeded in reducing actual U.S. imports of Russian conflict birch? The Environmental Investigation Agency’s (EIA) recent deep dive into the birch supply chain from May to August 2022 indicates that the answer is a resounding no. In addition, EIA’s findings suggest the United States is failing to routinely monitor imports under the [Lacey Act](#)—in particular the mandatory requirement for importers to declare the country where the wood was harvested—allowing the flow of potentially illegal, conflict-tainted timber to continue unabated and unscrutinized.

Clamping down on conflict timber

Shortly after the invasion, the international timber certification bodies [FSC](#) and [PEFC](#) declared any timber emanating from Russia and Ukraine to be “conflict timber,” and suspended any certifications for the duration of the invasion. The European Union took even stronger measures, [banning](#) all timber imports from Russia and from Russian origin, responding to evidence the timber revenues benefit oligarchs and could be used to [finance](#) the conflict.



according to U.S. customs data. But if the goal was to stop or deter all Russian timber imports, these tariffs have missed the mark.

U.S. legislators voted to [strip](#) Russia of its most-favored nation status, causing a tariff rate increase for nearly all imports from Russia, and raising tariffs on Russian birch plywood in particular to 50%.

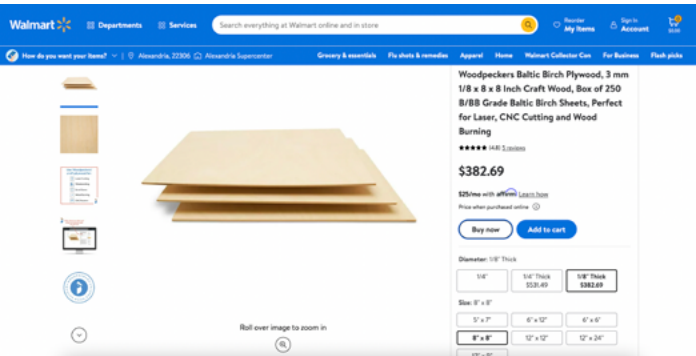
Notably, while most imported plywood to the U.S. has a tariff duty rate between 5% and 8%, birch-faced plywood has long enjoyed a special zero-tariff treatment.

These tariffs had one desired effect: direct birch plywood imports from Russia dropped 40% between March and April, and have continued to drop,

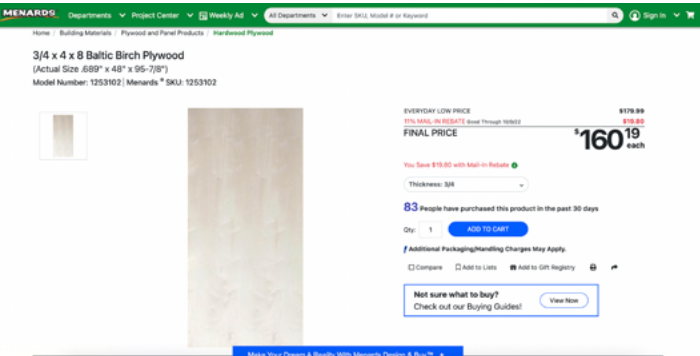
Americans continue importing Russian birch, indirectly

In 2020, birch plywood accounted for more than 70% of the U.S.’s timber imports from Russia, valued at over \$160 million. But according to U.S. customs data, this represents only a portion of the Russian birch products that U.S. customers have been consuming. Large quantities of birch plywood are also imported from countries like Vietnam and Indonesia. For instance, in 2020, over \$205 million in birch plywood was imported from Vietnam. According to the [Decorative Hardwood Association](#), Russia is the “likely source for a substantial amount of the imports of birch plywood from Vietnam.”

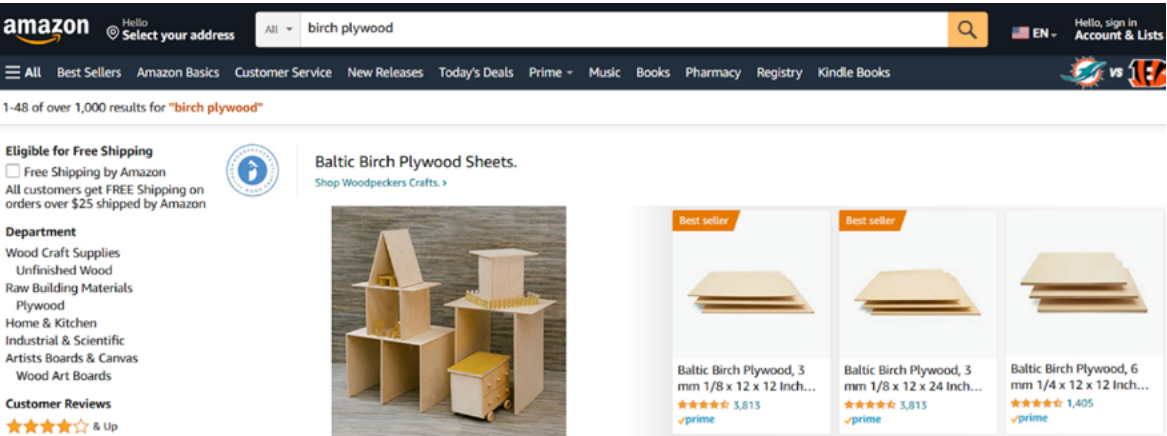
In March and April 2022, U.S. birch plywood imports from Vietnam surged, increasing by more than [200%](#). This surge is no surprise when one realizes that all the indirect imports of Russian birch plywood from Vietnam, Indonesia, and other countries were untouched by the U.S. policy shift vis-a-vis Russia, and thus remain at zero tariff duty. EIA believes these low-profile but sizable trade flows have escaped public scrutiny and regulators, mainly because the complexity of the China-Vietnam supply chains obscures the true origin of the timber products entering the U.S. Yet, these are precisely the kind of opaque supply chains that the Lacey Act amendment is designed to shine a light on and regulate.



Baltic birch products being sold at Walmart



Product shots of Baltic birch being sold on Menards



Number of hits on Amazon for the search “birch plywood”

Americans continue importing Russian birch, indirectly

Today, U.S. consumers purchasing birch plywood—whether as panels or in cabinets and other products—from major retailers, including Amazon and Home Depot, sit at the tail end of a muddled, complex supply chain. Most of these consumers probably do not realize that, according to EIA’s investigation, the majority of the birch in these products came from Russia, and traveled across China and Vietnam before entering the U.S.



Trains with Russian logs in Suifenhe, China

To begin with, almost no birch grows in Vietnam, because most birch—in particular the commercially exploited varieties—grow in cold climates.

Meanwhile, Russia is home to [one fifth](#) of the world’s forests including vast birch forests, and is the world’s biggest supplier of birch. China, the world’s largest timber trader and consumer, has historically been a large importer of Russian timber, and birch has consistently been one of the top traded goods between the two nations. In 2021, roughly one out of every four logs that China imported from Russia (for a total of 1.7 million cubic meters) were birch logs.

Some birch does grow in China, mainly in the forests of the northeast. However, China has a [well-enforced commercial logging ban](#) on domestic forests that has virtually no exceptions. Top Chinese traders, in discussions with EIA investigators, confirmed that the available quantity of domestic birch was so small as to be negligible, and moreover, Chinese birch is widely considered to be of inferior quality. Therefore, it appears that Chinese birch is not competitive with imported birch except in some extremely limited local markets.

Manufacturing traditional plywood requires peeling logs into veneers for the face and core, gluing the core veneers together, and gluing the face veneers to the core. These steps need not be fulfilled from start to finish by a single factory or company—or even a single country.

In the past two decades, fueled by the government’s export-oriented incentives and global demand, China grew to become the largest wood-based panel producing country in the world and plywood is the nation’s second most important value-added wood product export (by value), after furniture. Until just a few years ago, more than half of U.S. plywood imports came from China. In 2017, the U.S. Department of Commerce imposed anti-dumping tariffs on Chinese hardwood plywood, sharply reducing these imports, and these were further reduced by additional tariffs imposed on all Chinese imports under the Trump administration. Chinese plywood exports to the U.S. dropped to 12% in 2020, behind Indonesia and Vietnam. But indirectly, the trade persisted: many Chinese factory owners who had been selling plywood to the U.S. market either relocated to Vietnam, or exported near-finished plywood to Vietnamese partners to circumvent U.S. tariffs.

Vietnam actually imports far more birch already peeled into veneers than it imports birch logs, and most of those veneers come from China. In 2021, at least \$63 million in birch veneer, or 90% of birch veneer shipments to Vietnam, came from China. In contrast, Vietnam imports only limited volumes of birch logs from Latvia, and almost none from Russia; the amount imported as logs are unlikely sufficient to produce the nearly 400,000 cubic meters in birch-faced plywood that Vietnam exported to the U.S. in 2020. Trade data shows that between 2015 and 2020, while Chinese plywood exports to the U.S. fell sharply, exports of veneer and plywood from China to Vietnam increased 360% and 100% respectively.

Vietnam has become the second largest timber-manufacturing hub in Asia after China, supplying the U.S. with 31% of its timber product imports (including wood furniture) in 2019. With strong government support, even the Covid-19 pandemic could not slow Vietnam’s wood product exports. According to Vietnamese Customs data, the country exported [\\$8.7 billion](#) of timber products to the U.S. market in 2021; up 22% compared to 2020.

“It’s all Russian birch... the country of origin will show it’s from China, not Russia.”

In order to confirm the origin of the birch exported from China to Vietnam, before the manufacturing and re-export to the U.S., EIA investigators spoke with the managers at the top five Chinese birch veneer exporters, representing more than half of all birch plywood imported by Vietnam. Investigators were told on multiple occasions that the vast majority of Chinese companies exporting birch veneer to Vietnam are relying on material peeled in Linyi, Shandong Province, and that more than 90% of the birch imports are sourced from Russia.

Manager from Company 1: *The way we are doing now is importing Russian birch to China first (it used to go from Russia directly to Vietnam), repackaged in China, and then re-export to Vietnam. In doing this, the products exported to Vietnam cut all ties with Russia. The country of origin will be here [China].*

EIA: *So the birch currently exported to Vietnam, do they come from Russia?*

Manager from Company 2: *It’s from Russia. [...] The vast majority are Russian birch, only a tiny part [is harvested in China]. Almost all of the domestically harvested birch is used within China only.*

EIA: *Are you saying all the birch you exported to Vietnam are from Russia? Is there any Chinese birch?*

Manager from Company 2: *It’s all Russian birch.[...] Everyone is following the same practice. If you export from China, the “country of origin” will show it’s from China, not Russia.*

EIA: *The country of origin becomes China?*

Manager from Company 2: *Yes. The product is manufactured in China. After all, no one is tracing the origin of the raw materials.[...]*

EIA: *For those exported to Vietnam, the country of origin is also China?*

Manager from Company 2: *Yes, we can always say it’s China as the country of origin... In fact, it has cut all ties with Russia when it enters China’s border.*

“Baltic birch,” a commercial name that trumps origin and traceability

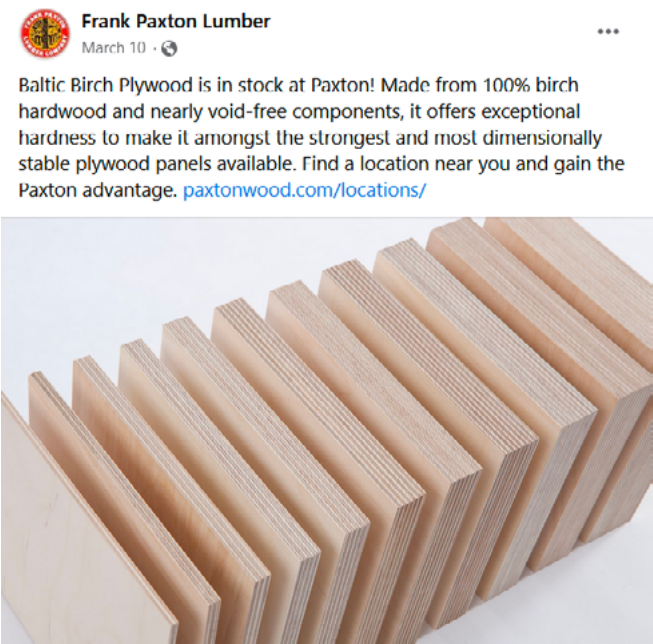


Junma WeChat posts

One prominent example of a Chinese plywood supplier trading to the U.S. via Vietnam is Junma Group (骏马集团). This large Chinese company had previously exported hardwood plywood to the U.S. The owner acquired several factories and, in 2018, registered a business under the name Junma Phu Tho in Vietnam where the company could [reach more foreign markets](#) and would have “[no need to worry about anti-dumping issues](#)” [Chinese WeChat account]. Junma Group is now among the top Chinese exporters of birch veneer to Vietnam (through its subsidiary, Guigang Junma); and Junma Phu Tho happens to be one of Vietnam’s largest plywood exporters to the U.S. One of Junma’s executives explained to EIA investigators how the manufacturing process in Vietnam obscured the origin of the timber from the U.S. consumers.



EIA's investigation shows that Junma Phu Tho has been supplying a few U.S. companies, including Good Forest International, Far East American, Richmond International, Hardwood Specialty, etc. EIA investigators reached out to a few of these companies, to understand whether they are aware of the sources of the birch plywood that they have been importing from Vietnam. Here are the types of answers that our investigators obtained:



EIA: *So the birch is from which country then?*

Employee at Hardwood Specialty: *We get it from many different areas. They are all imported. Vietnam could be a main one, Russia is gonna be another one, Thailand I believe is another source. So it's within that Baltic area.*

EIA: *But Vietnam is not in the Baltic...*

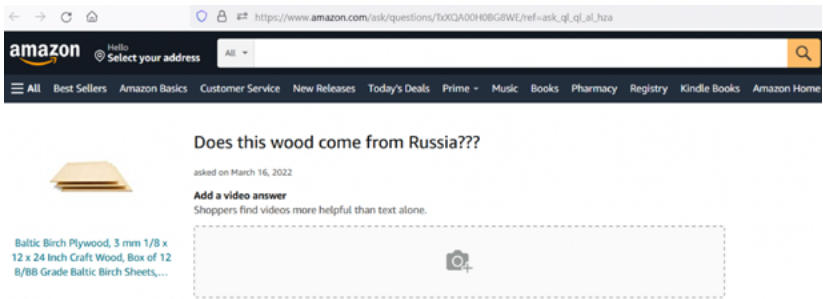
Employee at Hardwood Specialty: *I know but it is still classified like that...It's gonna be the grade, not necessarily where it is sourced from.*

EIA: *So "Baltic birch" means the quality; it does not mean it's necessarily from the Baltic countries?*

Employee at Hardwood Specialty: *Yeah, exactly, it's kind of a loose term.*

Americans deserve to know if they are buying wood from Russia

Opaque "black box" supply chains, as revealed in many of EIA's investigations ([The Lie Behind the Ply](#), [Toxic Trade](#), or [The Laundering Machine](#)), are frequently leveraged by traders to obscure illegal, unfair, and unethical sourcing that many buyers would not be willing to support: illegal harvesting, ecological damage, tax evasion, corruption, and in the case of Russian birch in particular – conflict timber. The UK-based



NGO Earthsight [has previously shown](#) how Russia's timber trade enriches "timber barons," oligarchs in Putin's inner circle, helping to finance Russia's invasion of Ukraine.

U.S. consumers want to know and deserve to know the origins of the products they are buying, and many have been [asking](#) for just that information. Meanwhile, the 2008 amendments to the U.S. Lacey Act are designed to shed light on the "black box" through increased due care and the declaration process, which requires importers to list the [species and country of harvest](#). It would appear that the U.S. is not actively enforcing the Lacey Act.

Recommendations

The hidden path that connects Russian blood birch to American consumers highlights the high risk associated with opaque timber supply chains and manufacturing hubs like Vietnam and China.

In this context EIA recommends:

1. Vendors of imported birch plywood, such as Amazon, Home Depot and Walmart, should immediately require the origin of their wood materials from their importers and disclose it to the public. They should also promote [smartphone-based transparency and traceability Apps](#) to help their consumers make informed choices;
2. The U.S. government should coordinate with their Vietnamese counterparts to enforce the requirement of origin information as mandated by the Lacey Act, especially in differentiating "country of product" and "country of harvest";
3. Thorough implementation of the Lacey Act by The Animal and Plant Health Inspection Service (APHIS), in particular the critically important proactive review and assessment of the information shared by U.S. importers regarding the species and country of harvest of the imported timber, for purposes of compliance and enforcement;
4. American consumers who are concerned about the war in Ukraine should suspend their birch purchases until sellers provide them with credible information about the product origins.